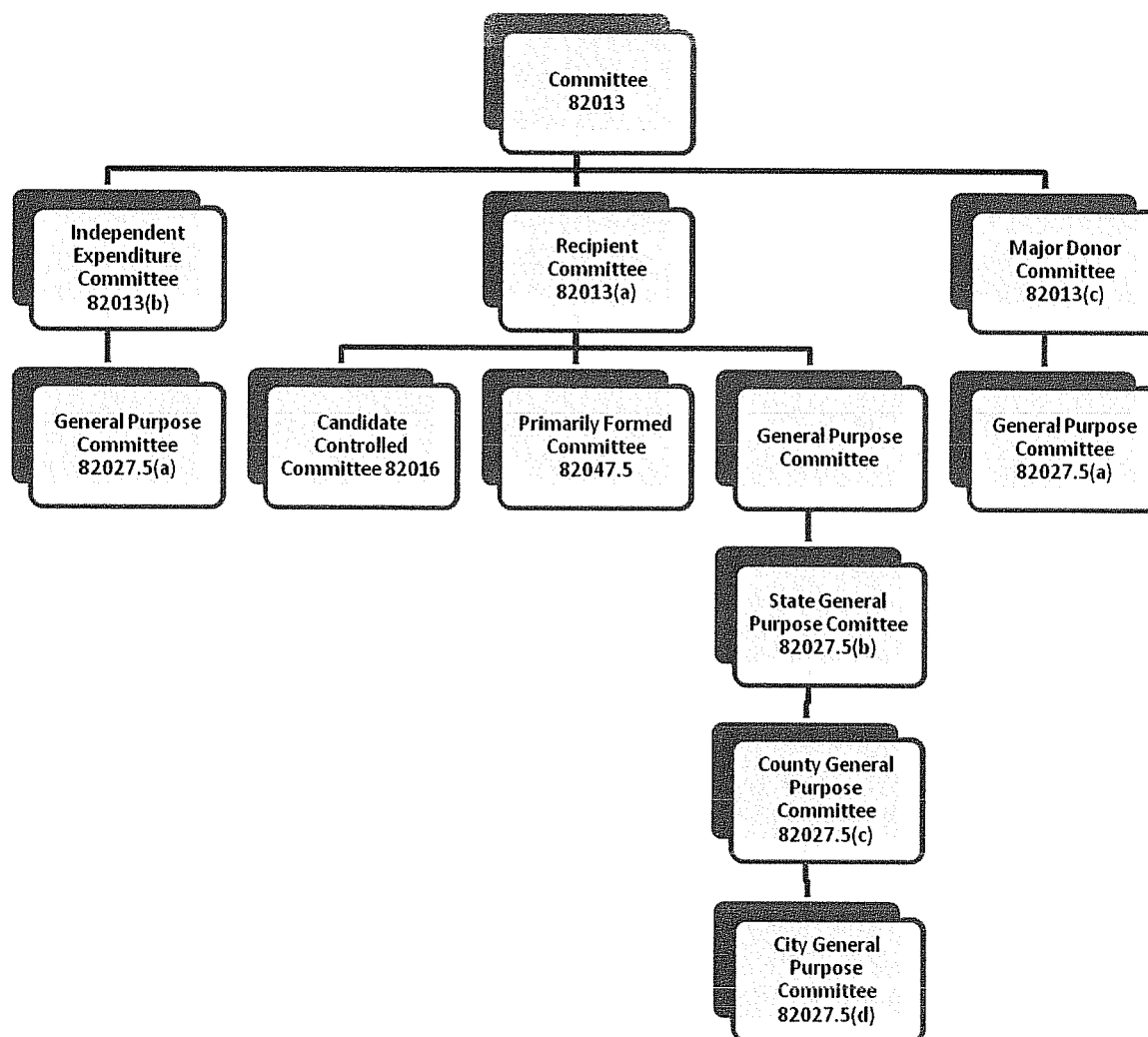


PRA Task Force

Topic: Committee Classification

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The PRA specifies many different committee types as the chart above shows.¹ In addition to these types of committees, the PRA defines political party committees, sponsored committees, small contributor committees, and recall committees. There are ballot measure committees which can be primarily formed (for a specific measure) or general purpose, and either can be candidate-controlled. A state candidate may control election committees, an officeholder committee, a ballot measure committee and, in some cases, a legal defense fund committee. Committee type is an area of complexity in the PRA. Steps to simplify committee

¹ Luz Bonetti of the FPPC Enforcement Division prepared a version of this chart.

classification, and to standardize reporting deadlines for committees, should be taken where possible.

Issues/Recommendations:

1. Harmonize filing deadlines for different committees under the Act. A lot of the complexity from different committee types comes from their having different filing deadlines and requirements. For example, currently ballot measure committees must file quarterly, while candidate committees file semi-annually plus pre-elections. If the filing requirements for all recipient committees are harmonized and standardized where possible, this will reduce the problem of too many committee types.

The other rules that differ depending on committee type are special committee naming rules for different types of committees (i.e., candidate election committees must list the candidate name and office sought; ballot measure committee names must list the measure number; sponsored committees' names must state their sponsor; recall, legal defense and officeholder committees must state that they are for that particular purpose.) But these rules do not create as many problems as the different filing requirements.

2. Could more frequent reporting substantially eliminate the need for primarily formed and general purpose committees and special filing requirements?

Committees primarily formed or existing for a particular candidate or measure have heightened disclosure requirements preceding an election, compared to general purpose committees. Committees primarily formed to support a candidate or a measure are *automatically* required to file two preelection statements, 40 and 12 days before the election.² Additional late reporting applies to primarily formed committees during the period before the election.³

² These preelection reports show the money the committees have spent on the candidate or measure, the cash on hand that may be spent on the candidate or measure, and the sources of these funds. General purpose committees must also file two preelection statements preceding a state, county, or city election, if they have spent \$500 on that election during the period covered by the statement. (Section 84200.5(d)-(g).) However, there have been cases where a general purpose committee has raised substantial contributions for an election but not spent or contributed anything until very close to the election, resulting in no disclosure of the sources of the funds before the election. This situation has partially been remedied in the case of independent expenditures, where late reports of independent expenditures require disclosure of contributions coming in that were used to make the independent expenditure, but the problem still exists for contributions made by a general purpose committee very close to the election.

³ Primarily formed committees must file 497 Contribution Reports for all contributions of \$1,000 or more received during the 90-day election cycle (for state electronic filers) and 16-day late period preceding an election. General purpose committees, other than political party committees, are not required to file these reports of contributions coming in before an election. However, both primarily formed committees and general purpose

Primarily formed committees must also include the candidate name or measure number in their name, and disclose the top two \$50,000 donors on ads for ballot measures.

In theory, more frequent reporting or activity-based reporting could eliminate the need for different filing requirements between primarily formed and general purpose committees. For example, if all committees that have spent over a certain threshold on a candidate or measure on the ballot in an election is pulled in to the pre-election filings and late reporting for that election, then the filing distinction between primarily formed and general purpose committees would not be needed.

And if the same disclaimer requirements applied to all non-candidate committees, rather than the current advertisement disclosure requirements which apply to primarily formed ballot measure committees, but not to general purpose ballot measure committees, then the distinction between primarily formed and general purpose committees would be gone for those purposes as well.

However, it is useful to have some mechanism to get committees whose measure is up in a particular election to do the pre-election filing and late reports.

3. Require all major donor filings online at the state level.

To simplify reporting for major donors, we could require all major donor filings to be made online with the Secretary of State. This requirement would apply to all major donor filings that meet the \$25,000 threshold for state electronic filing. The chief advantage of this approach is that all major donor filings would be available online in one location. Most major donors have contribution activity in numerous jurisdictions, and this way, major donors would not have to spend time reviewing their contribution activity for the year and figuring out whether to file their reports at the state, county, or city level. Only recipient committees would have to make this determination. This suggestion was proposed at a Commission meeting by a practitioner and one or two commissioners indicated that they thought it might be a good idea.

committees are required to file Form 496 Independent Expenditure Reports if they make an independent expenditure to support or oppose a candidate or measure during the 90-day election cycle (for state electronic filers) and the 16-day late period preceding an election. (Sections 85500(a) and 84204; *Californians for Fair Representation – No on 77 v. Superior Court*, 138 Cal. App. 4th 15, 41 Cal. Rptr. 3d 148 (Cal. App. 3d Dist. 2006).)